

**City of Muskegon
Proprietary Funds**

STATEMENT OF CASH FLOWS

Year Ended December 31, 2003

	Business-Type Activities Enterprise Funds				Governmental Activities
	Sewer	Water	Marina and Launch Ramp	Total	Internal Service
Cash flows from operating activities					
Receipts from customers	\$ 4,101,473	\$ 4,011,422	\$ 311,600	\$ 8,424,495	\$ 251,861
Receipts for internal services provided	-	-	-	-	5,878,085
Payments to suppliers	(1,559,605)	(1,365,315)	(204,389)	(3,129,309)	(5,198,059)
Payments to employees	(519,839)	(1,370,028)	(103,753)	(1,993,620)	(883,740)
Payments to internal service funds	(515,411)	(782,118)	(24,440)	(1,321,969)	(368,641)
Net cash provided by (used for) operating activities	1,506,618	493,961	(20,982)	1,979,597	(320,494)
Cash flows from noncapital financing activities					
Cash deficit	-	-	(111,547)	(111,547)	-
Transfers in	-	-	-	-	1,179,938
Net cash provided by (used for) noncapital financing activities	-	-	(111,547)	(111,547)	1,179,938
Cash flows from capital and related financing activities					
State grants	-	-	256,612	256,612	-
Acquisition and construction of capital assets	(1,106,572)	(994,987)	(124,083)	(2,225,642)	(501,804)
Proceeds from sale of capital assets	-	504,500	-	504,500	23,401
Principal paid on bonds	(1,151,091)	(405,000)	-	(1,556,091)	-
Interest paid on bonds	(132,214)	(417,559)	-	(549,773)	-
Net cash provided by (used for) capital and related financing activities	(2,389,877)	(1,313,046)	132,529	(3,570,394)	(478,403)
Cash flows from investing activities					
Interest and dividends on investments	19,739	51,889	-	71,628	26,476
Collections on contract receivable	677,897	-	-	677,897	-
Net cash provided by investing activities	697,636	51,889	-	749,525	26,476
Net increase (decrease) in cash and cash equivalents	(185,623)	(767,196)	-	(952,819)	407,517
Cash and cash equivalents at beginning of year	1,231,951	4,189,460	-	5,421,411	1,643,365
Cash and cash equivalents at end of year	\$ 1,046,328	\$ 3,422,264	\$ -	\$ 4,468,592	\$ 2,050,882
Reconciliation of cash and cash equivalents to the balance sheet					
Cash and cash equivalents	\$ 1,046,328	\$ 2,599,705	\$ -	\$ 3,646,033	\$ 2,050,882
Restricted cash and cash equivalents	-	822,559	-	822,559	-
	\$ 1,046,328	\$ 3,422,264	\$ -	\$ 4,468,592	\$ 2,050,882
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ 740,458	\$ (24,034)	\$ (52,835)	\$ 663,589	\$ (787,207)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation and amortization	667,831	615,470	61,308	1,344,609	704,264
Bad debt	6,865	5,682	-	12,547	-
(Increase) decrease in					
Accounts receivable	43,730	(79,169)	37,342	1,903	(97,333)
Due from other governmental units	-	(40,535)	-	(40,535)	-
Inventories	(10,078)	(13,903)	-	(23,981)	(3,985)
Prepaid items	(1,694)	(1,587)	(75)	(3,356)	(4,092)
Increase (decrease) in					
Accounts payable	13,139	13,593	(67,224)	(40,492)	(132,799)
Accrued payroll	(937)	9,601	268	8,932	3,267
Due to other funds	-	-	-	-	(1,018)
Due to other governmental units	52,952	-	-	52,952	-
Compensated absences payable	(5,648)	8,843	234	3,429	(1,591)
Net cash provided by (used for) operating activities	\$ 1,506,618	\$ 493,961	\$ (20,982)	\$ 1,979,597	\$ (320,494)

The accompanying notes are an integral part of this statement.